



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB2305

Introduced 1/12/2006, by Sen. Terry Link

SYNOPSIS AS INTRODUCED:

815 ILCS 137/115

Amends the High Risk Home Loan Act. Provides that, on or before October 1, 2006, but following the reporting requirements due for the 6-month period ending June 30, 2006, the reporting requirements for default and foreclosure rates on conventional loans shall not apply to the listed State-regulated financial institutions. Permits the Secretary of Financial and Professional Regulation or the Director of the Division of Banking to impose reporting requirements whenever the Secretary or Director has cause to believe that a financial institution has experienced a rate of defaults or foreclosures on residential mortgage loans that substantially exceeds the rate of defaults or foreclosures experienced by other financial institutions in Illinois. Effective immediately.

LRB094 17543 LCT 52839 b

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The High Risk Home Loan Act is amended by
5 changing Section 115 as follows:

6 (815 ILCS 137/115)

7 Sec. 115. Report of default and foreclosure rates on
8 conventional loans.

9 (a) On or before October 1 and April 1 of each year, each
10 servicer of Illinois residential mortgage loans shall report to
11 the Commissioner or the Director the default and foreclosure
12 data of conventional loans for the 6-month periods ending June
13 30 and December 31, respectively.

14 (b) Each servicer shall report the following information:

15 (1) The average quarterly dollar amount of
16 conventional one to 4 family mortgage loans secured by
17 Illinois real estate.

18 (2) The average quarterly number of conventional one to
19 4 family mortgage loans secured by Illinois real estate.

20 (3) The average quarterly dollar amount of
21 conventional one to 4 family mortgage loans secured by
22 Illinois real estate that are in default over 90 days.

23 (4) The average quarterly number of conventional one to
24 4 family mortgage loans secured by Illinois real estate
25 that are in default over 90 days.

26 (5) The dollar amount of foreclosures on one to 4
27 family conventional loans completed during the reporting
28 period.

29 (6) The number of foreclosures on one to 4 family
30 conventional loans completed during the reporting period.

31 (7) Whether any of the loans where a foreclosure was
32 completed were originated less than 18 months before the

1 completed foreclosure.

2 (8) Whether any of the loans where a foreclosure was
3 completed had a note rate greater than 10% for first lien
4 mortgage loans or greater than 12% in the case of a junior
5 lien.

6 (c) An officer of the servicer shall sign the form.

7 (d) On or before October 1, 2006, but following the report
8 due pursuant to this Section for the 6-month period ending June
9 30, 2006, the reporting requirements of this Section shall not
10 apply to a bank chartered under the Illinois Banking Act, a
11 savings bank chartered under the Savings Bank Act, a savings
12 and loan association chartered under the Illinois Savings and
13 Loan Act of 1985, or a credit union chartered under the
14 Illinois Credit Union Act. The Secretary of Financial and
15 Professional Regulation or the Director of the Division of
16 Banking may impose the reporting requirements on an individual
17 bank, savings bank, savings and loan association, or credit
18 union whenever the Secretary or the Director has cause to
19 believe that the financial institution has experienced a rate
20 of defaults or foreclosures on residential mortgage loans that
21 substantially exceeds the rate of defaults or foreclosures
22 experienced by other financial institutions in Illinois. Such a
23 belief by the Secretary or Director may be based on examination
24 findings and on data submitted by financial institutions under
25 this Section on or before October 1, 2006.

26 (Source: P.A. 93-561, eff. 1-1-04.)

27 Section 99. Effective date. This Act takes effect upon
28 becoming law.